

to depositors who were hampered by the locking up of their money pending the settlement of the bank's affairs.

The heaviest burden of loss fell upon the shareholders, whose liability was unlimited under the law then in force. The liquidators were compelled to institute a number of suits to fasten the liability fully upon the shareholders and to defeat attempts to transfer stock. Having adjusted the list, they made a call for £500 for every £100 of stock held, and subsequently made another call for £2250 per share of £100. The result of the first call, of which the nominal amount was £4,200,000, resulted in receipts of £2,409,066 at the end of the second year of the liquidation, October 22, 1880. The nominal amount of the second call was £7,814,000, upon shareholders who were still solvent, and the amount realized was £3,405,452. The result of these two calls, with a sum of £5,851,657 realized from the assets, enabled the payment of seventeen shillings in the pound within less than two years and payment in full was made within little more than a year, with the help of an advance from the other Scotch banks, to creditors willing to forego interest on their claims. While the creditors thus lost almost nothing, the great majority of the shareholders were absolutely ruined. The majority expressed their purpose at the first meeting on October 22, 1878, to keep faith with their creditors, and they kept the pledge so well that when the two calls had been made the holders of only £88,722 out of the capital of £1,000,000 remained solvent. Criminal proceedings for the falsification of the books were begun against the directors and they were given short terms of imprisonment.

The narrative of the transformation of the unlimited banks of Great Britain into limited companies relates to English banking so far as it affects some of the great English joint stock banks, but it belongs more properly to the history of Scotch banking in its origin and in its relations with important banks of issue. The agitation of the subject was the direct result of the terrible losses suffered by the stockholders of the City of Glasgow Bank because of their unlimited liability for the obligations of the bank. The law of